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Client Reference: SLB-3001

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re PATENT APPLICATION of: KARL
JOHNSON, ET AL.
Application No.: 10/697,554

Confirmation Number: 8401

Group Art Unit: 3724

Filed: October 31, 2003

Examiner: Phong H. Nguyen

Title: METAL DEMOLITION SHEARS WITH INDEXABLE, INTEGRATED WEAR
PLATE/PIERCING TIP

MS Appeal Brief Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

ATTENTION: Board of Patent Appeals and Interferences

REPLY BRIEF (37 C.F.R. § 41.41)

This Reply Brief responds to the Examiner's July 21, 2009 Answer in the appeal of the above-captioned application, and is being timely filed within two months of the date of the Examiner's Answer.

The Examiner's Answer predominantly repeats the rejections and arguments from the final office action. Appellants' opening appeal brief fully addresses and refutes those rejections. Appellants submit this reply to address several new arguments in the Examiner's Answer.

I. The Conversion Of Sederberg's Non-Indexable Piercing Tip 140 Into An Indexable Tip By Adding A Second Laterally-Protruding Tip Portion 144 Was Not Obvious

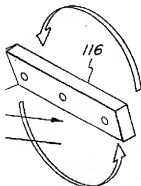
The Examiner's Answer confuses the existence of conventional, indexable piercing tips (e.g., Hrusch's tips 62, 64) for the obviousness of converting Sederberg's particular, non-indexable piercing tip 140 into an indexable piercing tip. The relevant inquiry is what modification to Sederberg (U.S. Patent No. 5,992,023) would have been obvious in view of the indexable piercing tip in Hrusch (U.S. Patent No. 5,894,666), or any other reference for that matter. At most, any reasonable combination of prior art would result in the replacement of Sederberg's non-indexable piercing tip 140 with the indexable piercing tip 62, 64 of Hrusch, not the conversion of Sederberg's existing non-indexable piercing tip 140 into an indexable piercing tip by adding a second laterally protruding tip portion 144 to an opposite end of the tip 140 (as would be required to satisfy the recitations of the pending claims).

Along similar lines, Appellants submit that the Examiner's Answer's proposal to modify Sederberg's tip 140, rather than to use an existing, already-indexable piercing tip or to make a simpler-geometry tip indexable, is based on the improper hindsight goal of recreating the claimed invention, as opposed to any obvious rationale outside of Appellants' present patent application. Indeed, as explained in Appellants' opening brief, the fundamental differences between conventional, simple geometry piercing tips and Sederberg's complex tip with its laterally protruding tip portion 144 would have stopped those in the art from considering adding a second laterally protruding tip 144 to Sederberg's non-indexable tip 140. Indeed, as explained below in Section III, the extreme changes to the structure of the upper jaw proposed by the Examiner to accommodate the proposed modified tip 140 further demonstrate that it would not have been obvious to do so.

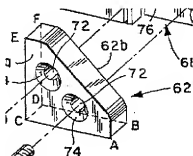
II. The Newly Cited Prior Art Is Entirely Cumulative To The Deficient Sederberg Reference

The Examiner implicitly recognized that the claimed invention was not obvious over Sederberg alone, as demonstrated by the fact that in response to Appellants' first Appeal Brief appealing the rejection of the pending claims as obvious over Sederberg, the Examiner reopened prosecution and withdrew that Sederberg rejection. The Examiner then rejected the same claims as obvious over the combination of Sederberg in view of Hrusch, Aiken (U.S. Patent No.

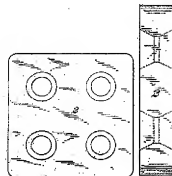
402,381), Jacobson (U.S. Patent No. 6,839,969), and Hall (U.S. Patent No. 5,187,868). See 8/7/08 Final Office Action; 9/30/08 Appeal Brief; 12/22/08 Office Action. However, all of the newly cited prior art is cumulative to the deficient Sederberg reference. As shown below, the indexable blade 62 in Hrusch and indexable blade 2 in Aiken are entirely cumulative to the indexable blade 116 already disclosed in Sederberg.



Sederberg, FIG. 14

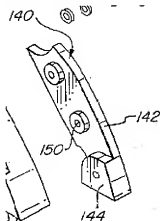


Hrusch, FIG. 6

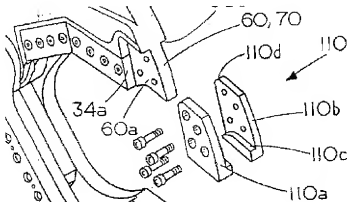


Aiken, FIGS. 3 and 4

Similarly, as shown below, the non-indexable piercing tips 110a, 110b with their laterally protruding tips 110c are entirely cumulative to the piercing tip 140 with its laterally protruding tip portion 144 in Sederberg.

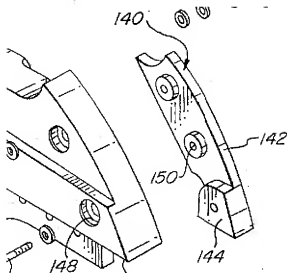


Sederberg, FIG. 10

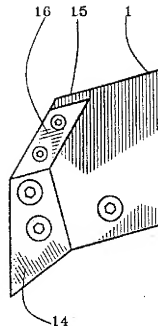


Jacobson, FIG. 2

Similarly, as shown below, Hall's disclosure of a piercing tip 14 that does not extend above the upper edge of the upper jaw 1 is entirely cumulative to Sederberg's disclosure of a piercing tip 140 that likewise does not extend above an upper edge of the upper jaw.



Sederberg, FIG. 10 (excerpt)



Hall, FIG. 5 (excerpt)

Because all of the newly cited prior art is cumulative to the deficient Sederberg reference, the Examiner's new citation to such art cannot cure the deficiencies in Sederberg as applied to the pending independent claims. The Examiner's Answer fails to excuse this inconsistency between the pending rejection and the Examiner's previous withdrawal of the earlier Sederberg-only rejection.

III. The Extreme Ways In Which The Examiner Proposes To Modify Sederberg's Upper Jaw To Accommodate The Proposed Additional Cutting Tip Demonstrates The Modification's Nonobviousness

As explained in Appellants' opening brief, Sederberg teaches away from the proposed combination because it would cause an added unused tip portion of the modified Sederberg piercing tip 144 to interfere with Sederberg's Rhino horn. See 4/22/09 Appeal Brief, pp. 29-31. The Examiner's Answer responds by asserting that it would be obvious to modify Sederberg so that the unused tip portion is disposed below the top of the jaw so as not to interfere with the Rhino horn. See 7/21/09 Examiner's Answer, p. 9. However, the extreme structural modifications to Sederberg's critical upper jaw that the Examiner proposes to accommodate the Examiner's Answer's proposed modification proves its nonobviousness.

For example, the Examiner's Answer proposes boring out a central structural portion of the upper jaw to accommodate the unused, laterally-protruding tip of the modified piercing tip

144. 7/21/09 Examiner's Answer, p.10; *see also id.* at p. 6 (asserting that it was obvious to "provide... a pocket on the upper jaw for storing the second cutting tip."). The Examiner's Answer goes on to assert that it would be obvious to thicken the upper jaw to restrengthen the jaw in view of the weakening caused by boring it out. 7/21/09 Examiner's Answer, p. 10. Such proposed modifications fail to consider the numerous practical and engineering considerations that one of ordinary skill in the art would have to make in order to be able to so drastically change the Sederberg's upper jaw, which bears the entire cutting force of Sederberg's heavy duty shears. Indeed, the additional changes that the Examiner concedes to be necessary to justify adding a second laterally protruding tip to Sederberg's piercing tip 144 highlight how different the proposed tip is from conventional indexable piercing tips, whose planar geometries do not require such extreme changes to the upper jaw. Thus, as explained above and in Appellants' opening brief, it would not have been obvious to those of ordinary skill in the art to convert Sederberg's piercing tip 144 into an indexable tip with a second laterally protruding tip portion.

Appellants also specifically traverse the Examiner's proposed rationale for asserting that it would be obvious to keep the proposed modified Sederberg tip 140 below the top of the jaw to avoid interference with the rhino horn. The Examiner asserts that it would have been obvious to keep the modified tip below the top of the movable jaw in Sederberg because "Hrusch teaches several of reversible wear plate/pierce tip inserts wherein the non-used tips are not exposed above the moveable jaw." 7/21/09 Examiner's Answer, pp. 4-5. The Examiner's Answer's reliance on Hrusch here fails to recognize the significant structural differences between the indexable tip in Hrusch and the proposed modified Sederberg tip. For example, the upper, unused portions of Hrusch's indexable tips 62, 64 lack lateral protrusions that would have to dig into and weaken Hrusch's upper jaw. *See* Hrusch, FIGS. 2-3. In contrast, as explained above, the proposed modified Sederberg tip would have a laterally protruding tip portion that would dig into and weaken the critical structure of the upper jaw in Sederberg.

The Examiner's Answer goes on to rely on Jacobson and Hall to assert that it would be obvious to have the unused tip portion of the proposed modified Sederberg tip not extend above the top of the jaw because "Jacobson and Hall teach wear plate/pierce tip inserts (110 in Jacobson and 14 in Hall) wherein the non-used ends are not exposed above the moveable jaw." 7/21/09 Examiner's Answer, p. 5. However, because the tips 110 and 14 in Jacobson and Hall are not indexable, their "non-used ends" are not relevant to the placement of a non-used tip

portion of an indexable piercing tip. Indeed, in this regard, Jacobson and Hall are entirely cumulative to Sederberg's own non-indexable piercing tip 140, which likewise is not exposed above the movable jaw. Because Jacobson, Hall, and Sederberg all share this deficiency, the additional citation to Jacobson and Hall cannot cure this deficiency in Sederberg.

IV. The Examiner's Answer Misunderstood And Improperly Disregarded Appellants' Objective Evidence Of Copying

Appellants submitted evidence proving that two competitors, Trevi Benne and Genesis, had copied Appellants' invention into their own indexable piercing tips, and then subsequently agreed to halt sales of such piercing tips when confronted with the present application. See 4/22/09 Supplemental Appeal Brief, pp. 35-38.

The Examiner's Answer disregarded Trevi Benne's copying on the ground that "Trevi Benne made and sold [its] indexable cutting insert in 2000 (see Exhibit F and Exhibit H, paragraph (a)) while the claimed cutting inserted [sic] was invented in 10/31/2003." 7/21/09 Examiner's Answer, p. 11. The Examiner is factually mistaken. Trevi Benne did not make or sell its infringing piercing tip in 2000. Rather, Trevi Benne only copied the invention after Appellants invented the invention, filed the present patent application, and commercialized the invention. The Examiner has apparently misinterpreted a statement by Trevi Benne that "Trevi Benne sells since 2002 in European Community CS series shears which are just similar to those of Stanley, so Trevi Benne didn't commit[] any forgery of the unregistered ornamental model produced by Stanley." 8/9/06 letter from Trevi Benne counsel to J. Barufka (Exhibit H to 4/22/09 Supplemental Appeal Brief). That sentence concerned Stanley's unregistered design right in the look of a particular shears, rather than the indexable piercing tip. Trevi Benne's statement did not assert that its 2002 version of a CS shears included the claimed indexable tip, but rather only that Trevi Benne's 2002 CS shears were "similar" to Stanley's shears. Indeed, this is why in the very next sentence Trevi Benne agreed "to eliminate the reversible plates of CS series shears replacing them by irreversible plates" based on Appellants' patent rights.

The Examiner's Answer improperly disregarded Genesis' copying by creating non-existent facts. Specifically, the Examiner's Answer asserts that Genesis copied and sold the claimed invention because Stanley's cutting inserts were "not available enough on the market." 7/21/09 Examiner's Answer, p. 11. There is absolutely no evidence of this unsupported

assertion. Moreover, the Examiner's Answer improperly disregards Genesis' copying on the ground that Genesis' copying was "merely due to economical reason" "to meet the market demand." 7/21/09 Examiner's Answer, p. 11. Copying for "economical reasons" and to satisfy a "market demand" does not vitiate the fact that Genesis nonetheless copied or in any way negate this objective evidence of nonobviousness. If anything, Genesis' copying for "economical reasons" to "meet the market demand" further proves the non-obviousness of the claimed invention via commercial success and/or adulation for the invention.

Thus, the Examiner's Answer improperly disregarded Appellants' objective evidence of copying based on errors of fact and law. For these procedural reasons alone, the pending rejection must be reversed. Moreover, the weight of this copying evidence compels reversing the obviousness rejection.

V. The Examiner's Answer Improperly Disregarded Appellants' Evidence Of Commercial Success

Appellants' opening brief provided compelling evidence of the claimed invention's commercial success. See 4/22/09 Supplemental Appeal Brief, pp. 33-35.

A. Commercial Success

The Examiner's Answer disregards Appellants' commercial success evidence on the ground that "Applicant does not establish any meaningful data to compare the sale of the claimed indexable cutting insert and the cutting insert in Fig. 10 in Sederberg." 7/21/09 Examiner's Answer, pp. 10-11. To the contrary, Appellants provided declaration evidence comparing the sales of the shears/piercing tip in Fig. 10 of Sederberg to the sales of shears/piercing tips according to the claimed invention. Specifically, Stanley was unable to successfully commercialize the shears and non-indexable piercing tip 140 in Sederberg due to the high replacement cost of the tip 140. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 3. However, sales of the shears incorporating the claimed indexable piercing tip have been outstanding. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 7. Indeed, in the North American excavator mobile shears market, shears with the claimed indexable piercing tip now make up approximately 48% of the market. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 6 ("since 2005, at least 96% of the shears that Stanley has sold have contained an indexable piercing tip as claimed in the

present application.”); *id.* at ¶ 7 (“In the North American Market, Stanley has approximately 50% market share of the Excavator Mobile Shears.”). This evidence establishes the commercial success of the claimed invention.

Moreover, the Examiner’s Answer fails to appreciate that commercial success can be measured in costs savings, rather than just revenue/sales increases. Here, the claimed indexable piercing tip “is 33% less expensive to manufacture than the non-indexable tip of [Sederberg].” Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 5. Even if sales had only been flat relative to Sederberg’s non-indexable tip 140, their dramatically reduced manufacturing cost made the claimed indexable tip commercially successful.

B. Nexus Between Commercial Success And Claimed Invention

The Examiner’s Answer also disregards the commercial success evidence for failing to prove a nexus between the success and the claimed invention. *See* 7/21/09 Examiner’s Answer, p. 11. However, Appellants have demonstrated the nexus in several different ways.

First, the nexus between the commercial success and the claimed invention is demonstrated by the fact that Stanley was not able to successfully commercialize the shears shown in FIG. 10 of the commonly owned Sederberg (U.S. Patent No. 5,992,023) with a non-indexable piercing tip, but did successfully commercialize the shears with the indexable piercing tip according to the present invention. *See* Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶¶ 3-7.

Second, the nexus between the commercial success and the claimed invention is further demonstrated by the fact that “the ability to index the piercing tip enables customers to get twice as much use out of this wearable, replaceable component,” which effectively doubles the value to the customer. Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 8. The commercial success of a piercing tip that has twice the longevity of its predecessor non-indexable piercing tip is reasonably attributable to the doubling of its useful life, which is a direct result of the claimed invention’s inclusion of two laterally protruding tip portions.

Third, the nexus between the commercial success of the present invention and the Saber shears’ inclusion of the claimed invention is further demonstrated by the fact that the claimed indexable piercing tip is not only twice as useful as the non-indexable piercing tip in Sederberg, but is also 33% less expensive to manufacture. *See* Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 5. “This cost savings is directly attributable to the fact that the

'metal tip portion disposed at each of said two ... ends, each said tip portion protruding laterally with respect to a surface of said central region,' as recited each pending independent claim, requires less machining than the non-indexable tip of the '023 patent [Sederberg]." Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 5. Thus, the presently claimed indexable tip has provided Stanley with substantial cost savings that simultaneously provides the customer with a piercing tip that has twice the useful life. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 5.

Fourth, the fact that two of Stanley's competitors, Genesis and Trevi Benne, copied the claimed invention to sell themselves, proves the commercial significance and success of the invention. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶¶ 9-10 and 12-13; see also *Bose Corp. v. JBL, Inc.*, 112 F. Supp.2d 138, 156 (D. Mass. 2000) ("[an infringer's] adulation of the [product] is the best evidence of the extent of its commercial success."). Indeed, these competitors' "imitation is the sincerest form of flattery." *Ingersoll-Rand Co. v. Brunner & Lay, Inc.* 474 F.2d 491, 497, 177 USPQ 112, 116 (5th Cir. 1973).

Fifth, Appellants specifically traverse the Examiner's Answer's assertion that the commercial success of the claimed invention may be attributable to the lack of availability of Stanley's predecessor piercing tip (i.e., the tip shown in Fig. 10 of Sederberg). See 7/21/09 Examiner's Answer, p. 11. As explained in the Sederberg declaration, Stanley could not successfully commercialize the shears with the tip shown in Fig. 10 of Sederberg. See Sederberg Decl. (Appendix X.A. of 4/22/09 Supplemental Appeal Brief), ¶ 3. Thus, the commercial success of the tip of the claimed invention could not logically be the result of the lack of availability of the previous, unmarketable tip.

C. Commercial Success Conclusion

Appellants have demonstrated both commercial success of the claimed invention and a nexus to the invention. The Examiner's Answer's total disregard for this evidence was therefore improper, and reversible for this ground alone. Moreover, the weight of this evidence compels finding the invention nonobvious. Had the invention been obvious, someone else would have made it earlier so as to reap the commercial success for themselves.

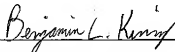
VI. CONCLUSION

In view of the foregoing, Appellants request the reversal of the pending rejections of claims 1-22, 40-49, 51, 53, and 55-57.

Having overcome all objections and rejections, Appellants therefore respectfully request allowance of the present application.

Please charge any fees associated with the submission of this paper to Deposit Account Number 033975. The Commissioner for Patents is also authorized to credit any over payments to the above-referenced Deposit Account.

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